



City of Miami Springs, Florida

The Miami Springs City Council held a **SPECIAL MEETING** in the Council Chambers at City Hall on Thursday, July 27, 2006, at 5:01 p.m.

1. Call to Order/Roll Call

The following were present:

Mayor Billy Bain
Vice Mayor Xavier Garcia (arrived at 5:06 p.m.)
Councilman Bob Best
Councilman Paul C. Dotson

Absent:

Councilman Rob Youngs

Also Present:

City Manager James R. Borgmann
Assistant City Manager Ronald K. Gorland
City Attorney Jan K. Seiden
Chief of Police H. Randall Dilling
Finance Director William Alonso
Human Resources Director Loretta M. Boucher
Interim Public Services Director Robert Williams
City Clerk Magalí Valls

2. Invocation: Mayor Bain offered the invocation.

Salute to the Flag: The audience participated.

3. Resolution – A Resolution of the City Council of the City of Miami Springs Setting Tentative Operating and Debt Service Ad Valorem Millage Levies for Fiscal Year 2006/2007; Setting Time, Date and Place for Public Hearings on the Proposed 2006/2007 Budget and Tentative Millage Rate

City Attorney Jan K. Seiden read the resolution in its entirety.

Councilman Dotson stated the following:

“I would characterize this budget proposal as the ‘buddy can you spare a dime’ approach. We are being presented with a spending plan that seems to leave few, if any, desirable options. Well, I am not buying it.

In the years prior to the current fiscal year we had taxable property valuation increases of around 8% and we seemed to do alright, in fact, we thought we were living in good times. Now, we have a 17% increase for the present year and 11.7% for the coming year and we are poor mouthing. The spending machine is out of control.

What are we going to do when the increase in the property values returns to a more sane percentage? Does this City have any respect for common sense cost control? These are serious questions that require thought and consideration. The amount of money we have paid the last two years to subsidize the Golf Course is somewhere in the \$1MM range. The millage rate has marched steadily upward over the past nine years because of the need to substantially subsidize the Golf Course operations. If that subsidy process is no longer necessary, it is my belief that the money used for that purpose should now be returned to the people in a tax cut.

In the City Manager’s memo accompanying this budget proposal, he says that he wants to use the Golf Course savings for several new programs and projects. I read in the Gazette this week that the City will be forecasting a profit at the Golf Course for the coming budget year. If this is so, why has this information not been given to us for consideration in our deliberations tonight?

Since I have objections to this proposal tonight, and I feel confident that I will get no better records to work with than I got last year, I am requesting the following:

- 1. Copies of the detailed budget request submitted by each department head.*
- 2. A list of all line items showing the percent increase in this year’s budget versus last year’s budget.*
- 3. Payroll figures and dollars for each department with a breakdown between classified and exempted employees.*
- 4. A list of any new positions put into this year’s budget.*
- 5. A list of any presently open positions that will be placed in next year’s budget.*
- 6. A list of what we call ‘wish list’ items placed in this year’s budget*

I believe in my heart and my mind that there is easily enough money available and that it is eminently reasonable to set the tentative millage rate tonight at no higher than 7.500. I cannot vote for more. Thank you."

Finance Director William Alonso stated that he would be distributing the budget workbooks to Council after the meeting and all the information requested by Councilman Dotson is included in the workbooks. He explained that each department is broken down by sections showing salaries, wish list items, and budget comparisons with last year's budget.

Councilman Best commented that Council was successful in reducing the millage rate last year at this time and they are on the same course this year. He stated that he has two concerns relative to the budget. The first is the statement in the Finance Director's memorandum of July 24th that reads:

"It is important to note that the proposed fiscal year 2006-2007 budget with a recommended millage of 7.7153 does not provide for an increase in the City's fund balance reserves. Please keep in mind that not increasing our reserves will have a negative impact on the year end financial ratios reported to the state."

Councilman Best said that he is also concerned with the statement in the information that Council received relative to the fact that the City paid \$900,000 for windstorm damage and the contingency in this budget is only \$500,000. He believes that 7.7153 is a responsible approach to the millage rate.

Mayor Bain stated that the Administration presented a proposal for a lower millage rate and Staff will work their budgets. He explained that the information that Councilman Dotson requested is available for everyone to see and evaluate.

Mayor Bain said that the millage rate had dropped in the last four years. He added that Council will set the tentative millage rate tonight and work during the next four meetings to try to reduce the rate even more. Mayor Bain said that Council should review the budget workbook first before making statements that might not be kept.

The Mayor clarified that once the tentative millage rate is set, by law, it cannot be increased and Council will work hard to reduce the rate without cutting the programs that provide for the quality of life in the City. He said that the residents expect the best and sometimes the best costs more. He reiterated that Council would do their best to set a fair millage rate for fiscal year 2006-2007.

Vice Mayor Garcia stated that after reviewing the numbers that there might be ways to reduce the budget in order to provide relief for the residents by lowering the millage rate. He agreed with the Mayor that Council must first review the numbers before making statements about the millage rate.

Vice Mayor Garcia said that Finance Director Alonso had done an excellent job to identify wasteful spending and trim expenses. At the same time, the City is on the path to possibly improving the commercial tax base by amending the Comprehensive Plan. Once this happens, Council is going to be able to reduce the millage rate substantially. Right now, the reason for lowering the millage rate is only due to the increase in the assessed property values and Council must be proactive to find other ways to reduce the rate even more.

Vice Mayor Garcia stated that he would continue to find ways to increase the commercial tax base because the residential community cannot afford 85% of the tax burden. He said that Council would review the budget and find ways to cut expenses without reducing the quality of services to the residents.

Councilman Dotson said that lowering the millage rate is not being done just because of the increase in property values and it is done based on the necessary spending. More than \$400,000 was being spent on the Golf Course every year totaling \$3.6MM since the City acquired ownership in order to keep it operating. If he is not mistaken, each millage point equals \$100,000.

Mr. Alonso clarified that each 1/10 of a mill equals approximately \$95,000.

Councilman Dotson stated that based on the Golf Course savings alone, the millage rate could be reduced to 7.5000 without any problem, but Council can only act on the information that they receive. He is not saying that a lot of work had not been done to get to this point, but for Council's review and analysis there are no details to represent how much is being asked for that is different from last year.

Councilman Dotson said that the increase in the valuation of 11.7% and the 7.7153 tax rate would mean that people will be paying more if they receive a 3% increase in their assessment because this amounts to a 2.3% reduction. He stated that the information Council has justifies the reduction and imposing a little discipline will result in a budget that recognizes the good financial times. He had mentioned before that these kinds of increases in the valuation would not continue in the future because 17% was the peak, and now it is down to 11.7% and it might soon drop to 8%.

Councilman Dotson stated that if the money is available it should be temporarily given back to the people because they are the ones that subsidized the different operations and those excuses were used to raise the millage rate and now the City needs to send that money back, particularly where it relates to the Golf Course. He would like a lot more information and his target is still 7.1000 and the maximum rate set tonight should be 7.5000.

Councilman Best moved to adopt the resolution. Vice Mayor Garcia seconded the motion.

Vice Mayor Garcia reiterated that Council has the opportunity to reduce the millage rate now because the assessed values are going up and they will take the opportunity to cut expenses but consideration must be given to what can be improved. He has not heard any comments about improvements because the City is not the best, but Council wants the best recreation facilities and to get the best it is going to cost money.

Vice Mayor Garcia agreed with Councilman Dotson's statement that the assessed values would not continue to increase but the cost of insurance and services is going to continue to increase. He said that if Council reduces the tax rate too much that eventually they will be the "bad guys" when they have to raise the taxes.

Councilman Best stated that Council should attempt to find ways to give back to the people without getting caught short without a contingency to fall back on and that is why the 7.7153 rate is a good place to start. He added that the rate can always be reduced and that Council is going to find ways to do so after they receive all the information.

Councilman Dotson said that it seems that the talk is always about spending, not cutting, and if the money is available it is spent on something. Council has to be intelligent about how the City uses the people's money. He had said before that he is not in favor of any proposals that would reduce service, only that he is looking for ways to better manage the services that the City provides.

Councilman Dotson commented that last year at budget time there was a proposal made by the former Public Services Director to abolish the in-house vehicle maintenance department and contract with an outside firm and it would be a "wash" because the offsetting savings would be for the employees who were doing the work for the City. The employees were not cut off, they went to other positions and the City assumed the increased expense of approximately \$300,000. Later he found out that the people went to fill existing open positions because they were civil service employees that could not be eliminated. He felt that the plan that was posed to him was misrepresented because the City did not save \$300,000.

Councilman Dotson stated that at least two or more people retired from Public Works this year and he would pose the question to the Public Works Director as to whether or not those two positions were filled by those two people that the City could not get rid of that were formerly doing maintenance for trucks, vehicles and other equipment. He said that it could have been a way to improve and to save money. He added that this is a question that he is going to ask, he is giving people time to provide details and he would be happy to answer any questions if there is a misunderstanding about his question.

Councilman Dotson said that looking at external cost factors, workers compensation is up \$117,000, which may be locked in for this year, but his question is what is being done about a safety and training program and reviewing the incidents so that they can be eliminated or reduced. He would like to know that proactive steps are being taken to control the situation by having good programs or productivity.

Mayor Bain said that Council could react to the statements that were made but theoretically much of what was said is only an opinion. He explained that from his business experience, that workers compensation and insurance normally increase 25% each year, regardless of controls or programs, and the cost is 1/3 of the operating cost.

The Mayor stated that he would perform due diligence, the same as every year of his tenure, to make sure that the millage rate is reduced. Council will set the millage rate and work to prepare the budget based on the available information.

In regard to Councilman Dotson's comment about the Public Works Director, Mayor Bain reminded him that the employee no longer works for the City and hopefully in the future, he would have confidence in the new person in that position.

Mayor Bain reiterated that Council must first review the budget notebook and the budget that the Administration is proposing. He said that the gymnasium is in need of improvement and this is not possible without spending money. The Mayor was of the opinion that Council had done a good job to control spending.

Councilman Dotson stated that each person has a different set of experiences and he is interested in opening eyes to consider things. He is not insisting that everything has to be his way but he is disturbed that there seems to be some superficial approach on Council's part when considering the budget because there is not a lot of information. He is trying to get more information and input in the budget process so that Council does not look like the five "Cigar Store Indians" listening to proposals and trying to respond with a yes or no vote.

Councilman Dotson believes that some consideration and thought should be given to each line item. He said that if there is an 11.7% increase in the revenue that he wants to be sure that spending is controlled the same as if there were only a 7 or 8% increase because his goal is to have an efficient operation.

Mayor Bain stated that he carefully reviews each department and performs due diligence when considering the budget requests. He said that last year there were requests from the Public Services Department and he negotiated a reduction. The Mayor urged each Council member to do their job in order to be prepared to vote to lower the millage rate.

Vice Mayor Garcia added that many times Council had asked the City Staff to provide more information before making a decision. He clarified that the purpose of this meeting is only to set the tentative millage rate and Council should not be making comments about reducing the millage without having the facts first.

Councilman Dotson stated that the decision to set the millage rate is as important as all the other decisions that Council makes and it should be done with judgment and consideration with as much information as is available.

Mayor Bain stated that he could not accept Councilman Dotson's generalizations by saying that Council brushes things off.

Councilman Dotson stated that he was responding to Vice Mayor Garcia and he was only saying what he is looking for.

**The motion was carried 3-1 on roll call vote .
(Councilman Youngs was absent)
(Councilman Dotson voted no)
(Resolution No. 2006-3321).**

City Manager Borgmann said that the information that Councilman Dotson requested is ready for distribution to Council along with the financial report for the third quarter. He added that the proposed budget would be posted on the City's website.

City Manager Borgmann reminded Council that the deadline to take the exam for the National Incident Management System is September 30, 2006 in order for the City to be eligible for federal emergency funds.

4. Adjourn.

There being no further business to be discussed the meeting was adjourned at 5:33 p.m.

Billy Bain
Mayor

ATTEST:

Magalí Valls, CMC
City Clerk

Approved as written during meeting of: 8/14/2006

Transcription assistance provided by S. Hitaffer

Words ~~stricken through~~ have been deleted. Underscored words represent changes. All other words remain unchanged.